



Debate

Where The Global Meets The Local

Gareth Wyn Jones

Wales is one epicentre for defining choices facing global society. We have to address the extent of the National Assembly's powers, our relationship with the European Union, the capitalist market model we wish to follow, our security in a world of diminishing resources, and the challenge of climate change. The political parties should come together to agree a consensus to drive forward a progressive agenda following the next Assembly election in May 2003.

Many were frustrated during the June 2001 general election that a range of critical issues received so little attention. These included missile defence, the challenge of sustainable development in the face of global climate change, the future constitutional relations in the UK and the massive expansion of the EU into central and eastern Europe. The election result, so apparently overwhelming, showed, in fact, that the country was considerably 'underwhelmed'. The total popular support for 'new Labour' — some 25 per cent of the populace — resembled that accorded to Bush's much derided victory and to Welsh devolution.

With the election behind us the real choices remain to be addressed.

It is commonly said that the British have a genius for compromise and for finding practical solutions to social and political issues unencumbered by ideology or dogma. Whether this perception conforms to reality or is an empty pretence is open to argument given successive experiments with imperialism, state nationalisation, wholesale privatisation, monetarist economics and the current obsession in some parts of the media with 'national sovereignty'. Whatever the truth some stark issues cannot be avoided.

Whether or not we in Wales share 'this genius for compromise', we will be forced into decisive choices in the next few years; choices which will impact upon the type of society in which we will live for many decades to come. Yet it is far from clear that

these choices, at either the UK or Welsh levels, will be placed squarely and unambiguously before the electorate. There appears to be a real possibility that 'choices' will be made by default without the people being either engaged in or fully informed of their implications. Indeed, these choices may be made indirectly by others without much regard for the interests of the Welsh people: with potentially damning consequences.

The Issues

Five apparently distinct but, in practice, closely intertwined issues are at stake. They are crucial to the future of Wales, to relationships within Britain and with our neighbours in Europe and, indeed, to the whole global community. They are also representative of similar choices facing many small regions and peoples in Europe and elsewhere around the world .

Firstly there is our relationship with and our place in the European Union, and the nature of that Union. Within the next decade we in Britain will have to decide not **only** on entry into the Euro, as is well advertised, but on other equally important 'European' issues.

In order to allow the entry of the peoples and nations of central and eastern Europe, the decision-making structures of the European Union will have to be amended and streamlined. How will this be achieved? Will this necessity be used to increase the power of the existing 'big players', the larger nation states, or will it lead to more democratic, transparent and flexible European institutions? What pressure is there to draw up a constitution for the European Union, with increased 'subsidiarity' and a clear definition of the authority of the various levels of governance from the European to the local level? Will such a constitution protect the interests of the smaller nations and the 'Regions' and, above all, the people themselves?

To combat public disillusion, there will undoubtedly be pressure for greater democratisation of European institutions. But some in authority, either completely opposed to 'European project' or dedicated to its dilution, may welcome, albeit clandestinely, such public disenchantment. They will be happy to use the current lack of democratic accountability as an argument for retaining the powers of the dominant nation states. Currently the EU is dominated, contrary to popular perception, by these traditional 'sovereign' nation states acting through the Council of Ministers with the Commission often sidelined, as became obvious at the Nice summit. But there is real doubt that this statist model can provide the dynamic and the legitimacy that an enlarged Europe will need in the future.

Part of the fundamental dilemma for the traditional nation states is that the democratisation of European institutions such as empowering a directly elected European Parliament or moves to elect a President and/or Commissioners or other moves to engage the people of Europe more directly, must give more authority and credibility to 'European Institutions'. By common consent after Goteborg and the Irish rejection of Nice this is seem as major problem but such validation of super-national bodies is an anathema to many in the UK and France in particular.

Secondly, we must decide which type of capitalist model or market system we will develop. Do we wish to adopt the free-wheeling US model, what might be termed ‘turbo capitalism’, with a minimum of ‘regulation’, ‘employee rights’ and community and environmental obligations? Alternatively, do we wish to promote the ‘social market’ economy with its greater emphasis on social and environmental responsibility and long term stability but with, consequentially, apparently higher costs?

Thirdly the degree of authority, or ‘autonomy’ if you like, enjoyed by the National Assembly is largely unresolved. Are we prepared to accept the current opaque and ill-defined compromise over its powers? Or should the Assembly have the power to establish an effective political, social and economic agenda for the Welsh people?

Fourthly, what is our attitude to ‘security’ in a global society? Do we see this merely in terms of military alliances (including the possible evolution of a European Defence Force) or do we see it in a broader context? Should it be a concept encompassing global resource access and equity and the social, economic and environmental sustainability of communities, be they in Europe or on other continents? Indeed, will globalisation and the neo-liberal economic consensus contribute to or diminish real human welfare and security?

Finally but closely related, what are our reactions to the great global environmental and developmental challenges, such as massive absolute poverty in many parts of the world as well as relative poverty and destitution within the rich countries? How should we react to the various threats of global climate change and the water resource deficits facing many of the peoples and nations of this planet?

The Choices

Let me initially consider some aspects of the choices being forced upon us by a conjunction of international and local events before turning to how they might affect us in Wales specifically and the challenges they present to our political parties.

1. European Social Market or American ‘turbo’ capitalism?

Notwithstanding Prime Minister Blair’s predictable claims that we can have it both ways, we are, in all likelihood, faced with a hard choice about our relationship, on one hand with the evolving and expanding EU and, on the other, with the United States and its satellites in the North America Free Trade Area (NAFTA). This is not only a choice about our political and economic alliances. Regrettably the debate is currently couched solely in terms of the ‘loss’ sovereignty of the ‘nation state’, namely the UK, to the EU. Equally important but rarely acknowledged, it is about our social vision for society. Both the major political parties in Westminster and indeed the Whitehall civil service espouse a political and economic philosophy dedicated to maximising labour mobility and employment flexibility. They are reluctant to engage in a debate on the value of public goods, while public service, job security and communal integrity are largely redundant concepts.

The UK has been reluctant to commit to the EU Social Chapter. Consequently it remains easier and cheaper to shed staff in Wales and elsewhere in the UK than in mainland Europe. In Wales the Corus debacle and the reluctance of successive UK governments to make full use of EU agricultural and environmental measures to alleviate the problems of rural communities, could scarcely have made clearer the social and economic implications of this choice to all Welsh people. Still worse is the position where the UK's interest rate and exchange rate decisions are geared to the 'City' and south-eastern England - as admitted publicly by Sir Eddie George, Governor of the Bank of England. This means that manufacturing's future is limited, at best, to a narrow range of high value products. Similarly agriculture in less favoured areas (much of Wales) is largely an embarrassment and potentially positive EU measures are grudgingly implemented.

Politically and economically, three broad options are open to the UK. Do we believe that we can thrive as a British (dominantly English) offshore enclave; an 'independent' country wedded to the pound sterling, lying, in political terms, equidistant between the USA and the European Union? In all likelihood in time we would become increasingly semi-detached from that Union while seeking solace in a 'special relationship' with the US. This is a relationship, it must be noted, only acknowledged by Washington when it offers them a useful cloak for some foreign policy venture.

Alternatively, do we prefer to become a full partner in the American free-wheeling, low tax, 'turbo' capitalism with its rapid growth potential but equally dramatic slumps, massive income disparities and huge externalised social and environmental costs? Logically this will lead ultimately to the UK joining NAFTA and becoming part of the dollar zone. Such a course is already advocated, for example by Conrad Black proprietor of the Daily Telegraph and very recently in the Sun.

Thirdly we could fully embrace the EU, join the Euro zone and commit ourselves to a European socio-economic model with enhanced worker rights, social priorities and relatively strong environmental protection but, as a result, higher taxes. At the UK level this choice would imply a 'pooling' of sovereignty and a recognition of multiple loyalties, not a simple national 'British' identity. It would entail an acceptance of multi-layered government with each strata being responsible for discrete activities. However, it should be recognised that, in practice, it is equally likely that the 'US option' would lead to at least as great, arguably perhaps an even greater, loss of sovereignty as all important decisions would ultimately be made in Washington.

2. To Join Or Not To Join the Euro?

The choice of Euro membership consequently carries social as well as political and economic implications. It is no accident that the fervent right wing, free marketeers in the Conservative Party and their cheerleaders, the Mail and the Sun, are also the most anti-European. Their English/British nationalism is reinforced by their economic and social philosophy and happily the self-interest of their proprietors. In contrast, many of the Trade Unions have now shed their historic antipathy to the EU as they now hope that the EU Directives and Treaties, as well as membership of a large and hopefully stable trading block, offer their members the best defence against some of the darker forces of globalisation.

If we wish to be attached to the social market model, then business will be required to operate within certain social and environmental constraints, as exemplified by the Social Chapter and various Environmental Directives. While the argument in the London popular press is couched almost exclusively in terms of 'sovereignty' and the 'loss of the pound', these other issues are of great significance, particularly to us in Wales.

Given that economic pressures may well gradually squeeze out the quasi-independent option, the real choice in the next decade is likely to lie between joining the Euro or the dollar zones with all that that implies for us. While some might argue that the globalisation of capitalism is slowly merging these systems, the differences between the 'European' and the 'US models' remain significant and may well diverge further with Bush junior in the White House and the potential for a major downturn in the US economy.

The current New Labour stance seems dedicated to prevarication and avoiding these choices. It sought to play the role of 'bosom pal' at the court of Bill Clinton and no doubt hopes to do the same with the second Bush administration, although it may be rebuffed. It has claims to be at the 'heart of Europe' and to support enlargement while denying its logic. Expansion to the east must involve more cohesive decision-making structures and inevitably entail the loss of many 'national' vetoes.

In its socio-economic thinking the Westminster government borrows heavily from the US and seems, most of the time, to deny any fundamental relation between taxation and public spending. It asserts that we can improve public services and replicate mainland European standards. It maintains that spending on education, health, public transport and welfare provision and even social cohesion can rise but without any substantial increase in the public sector or admitting to a higher tax base. Many obtruse mechanisms born of the Conservative government such as Public Private Partnerships (PPP), Private Finance Initiatives (PFI), out-sourcing, and privatisation – for example of hospital and school building, air traffic control and the London Tube – are also being pursued with undiminished zeal. The government seems prepared to mortgage our future through the PFI by incurring higher costs in longer term but decreasing current costs. The Chancellor Gordon Brown never appears prepared to make a principled case for taxation, preferring the sleight of hand and the stealthy manoeuvre. He is also given to lecturing the rest of Europe on its 'lack of competitiveness'. This is despite evidence that the 'Euroland' economy is growing more rapidly than the United Kingdom, productivity per employee is higher and continental penetration of UK markets continues to grow, aided by the high value of the pound.

Labour may well now be seeking to improve public services but it does so after a period of self-imposed restriction which resulted in lower *pro rata* public spending than in the last year of the Conservative administration. It hopes to do so without fundamentally addressing the huge rewards-gap that has developed in the last 25 years between the private and the public sectors. This problem is exposed dramatically by the issues of teacher and nurse recruitment especially in the more prosperous regions.

Paradoxically, economic growth in the UK is hampered by the gross regional economic inequalities within its boundaries. Policies geared, partly of necessity, to the 'City' perspective and the fear of overheating in South East England, contribute to manufacturing industry and agriculture in Wales and rest of the UK bleeding slowly to death. As a result, on one hand teachers and nurses cannot afford reasonable homes in the London area and, on the other, economic decline and out migration from many parts of the 'united' Kingdom remain unchecked.

The idea that there may be a fundamental choice between a coherent, civic society enjoying good public services and a high quality of public spaces, depending on a relative buoyant self-confident public, civic and private sectors, and one in which private wealth is combined with public squalor and social exclusion, is scarcely ever officially acknowledged by New Labour. This is despite the welter of statistics showing the UK, mimicking the US, is 'leading' Europe *pro rata* in many factors such as teen-age pregnancy, divorce rates, binge drinking, drug taking, crime rates, prison population, gender and wage inequalities. It appears that self-interest, validated by two decades of Thatcherite propaganda, means that the electorate cannot be trusted with a clear choice. The Chancellor's approach seems best characterised by strategic and tactical subterfuge. Such a policy may well win fair-weather friends but does little to reverse the social assumptions of the 1980s and 1990s.

While the Government fails to put the full implications of the European choice before the people, in reality both the main UK parties would appear to prefer to muddle along avoiding a real decision. The Tories lean towards an anti-European, 'little Englander' or even perhaps a NAFTA solution, without as far as I'm aware, actually admitting to the implications of the view. Many in the party react ambiguously to the idea of leaving the EU, while at the same time promising to match any Labour promises to increase spending on health and education. One does not hear them then recognise the social implications of the US low tax model, where some 40 million people have no health insurance, two million are in prison and huge differences between the rich and the poor underclass are the norm. US tax rates (around 30 per cent) are scarcely compatible with a National Health Service, current UK rates of social support or, as we will discuss later, with environmental responsibility. In such circumstances, it is difficult to envisage any advantage to Wales from the 'off-shore island' or the 'American/NAFTA models' for the future of the UK. The choice for Wales is particularly acute as recent Department of Trade and Industry data show that in Wales, as in Scotland, over 70 per cent of exports go to the EU in contrast to less than 45 per cent in London, with a 60 per cent average in England as a whole.

3. Governing Wales: Advance or the Status Quo?

The third great choice relates to our own governance in Wales. Are we committed to the rapid development of the present relatively powerless National Assembly into a body with at least the powers of the Scottish Parliament or a German Land? Such a body could have the ability to input directly on behalf of the Welsh people to both Westminster and the institutions of the EU in Brussels and Strasbourg. While it is common for Secretary of State Paul Murphy and First Minister Rhodri Morgan to speak of need to make the existing 'cobbled together' Assembly work, before we can consider any further change, the reality is that urgent decisions are required. To his

credit Rhodri Morgan has acknowledged this but on other occasions lapses into 'New Labour speak'.

Crucial discussions are taking place in Europe after the failure of the Nice Summit to solve many fundamental problems. These will lead up to a new Inter-Governmental Conference in Germany in 2004 when the framework of the enlarged EU will have to be mapped out and the answers to some of the issues discussed earlier will emerge. What are Wales' interests in these discussions and crucially, how will they be heard? Given the huge disparities of economic and political power within the UK, it is unlikely that Wales would be well served by a European model in which power is vested in a few large nation states – in practice Germany, France, Italy and the UK/England. Would not Wales be better served by greater regional subsidiarity within the EU and by greater, more transparent European democracy? Some might argue for an independent Wales occupying a place in Europe similar to our Irish cousins but there would appear to be little or no prospect of this occurring within the timeframe of the next IGC.

From Lloyd George to Bevan, Wales has historically and ideologically been committed to a social market model. We have a strong vested interest in maintaining, and increasing the EU budget for regional development as an essential counter balance to the centralising forces of the Euro. We also have an interest in seeking to revise the Barnett formula to reflect regional disparities of need across the UK. Having suffered the ravages of heavy industry, Wales also has an interest in the promotion of more 'sustainable development', and of equity and social justice including the regeneration of disadvantaged urban areas and rural development. All this would imply a strong attachment of Wales and the UK to the European mainstream and a reformed Union. Unfortunately there is little evidence that this agenda is likely to carry much weight in Westminster or Whitehall.

On this basis it is imperative that Wales' voice should be heard with, at least, a substantial measure of independence for our interests to be protected. How can that be achieved? Does it not require a rapid and dramatic increase in the autonomy of the National Assembly to equal its counterparts in Scotland, Catalunya and the German Lander? Is attaining such a voice compatible with the minimalist views of, for example, Paul Murphy, our Secretary of State?

4. Whose Security?

The fourth issue relates to our definition of security. Historically it has been the fundamental responsibility of the State to provide its citizens or, in the case of the UK the Queen's subjects, with physical security, hence the armed forces and the police. But is this adequate when the threats come from unpredictable climatic events, transnational as well as local pollution or even social decay? Equally, are not the threats to welfare of individuals, families and communities from a decision of the Board of a multi-national company, possibly half way round the world, often more real and immediate than those of rogue demagogues such as Saddam Hussein? If relatively affluent peoples feel that their security is threatened by some of the forces of globalisation, how much more so the citizens in the underdeveloped world? Such questions clearly have implications for policy and spending priorities.

The conventional response of UK Governments of both major parties to the challenge of security has been (i) to reaffirm the primacy of the armed forces and close ties with the USA through NATO; and (ii) to spend still more on immigration control – in the latter case also blaming France for inaction. But is this an adequate long-term response? We have to choose whether it is really in our best interests to invest billions in Star Wars in the name of the special relationship or whether such sums are better invested in other measures which, by seeking to ameliorate global disparities, might increase our ‘security’. In a world of such enormous disparities, we cannot hope to keep out the poor and dispossessed of the world from ‘fortress Europe’ or the USA. Nor do weapons of mass destruction have to be delivered by missile, a suitcase or vial might be cheaper alternatives!

5. Climate Change and Resource Depletion

Finally we must make crucial choices about our responses to the huge challenges of global climate change and resource over-use. Although little discussed, the recent reports of the Intergovernmental Panel on Climate Change and other responsible international bodies have shown the enormity of the problems we collectively face. If the five billion people living in the developing and underdeveloped worlds are to attain even a modest standard of living, without exacerbating the environmental disruption already created by Western excess, then new thinking and decisive action is essential. The short hand for all this is ‘sustainable development’, a legal obligation on the National Assembly for Wales. But do we take serious the challenges of global climate change? Do we take seriously the huge disparity in resource use by the peoples and nations of the world? Do we wish to join the USA in denial and adopt their free wheeling, economic model that can only aggravate the whole problem? Do we hanker after the US resource-extravagant model or can we strive for an alternative? While there is much we could and should do in Wales, can there be any prospect of doing this effectively without being fully engaged in a sufficiently numerically large and economically powerful European Union to make the implementation of such a vision meaningful?

Not only have we a strong interest in being part of the European Union, it is also in our interests to ensure that it retains its social and environmental vision, externally and internally, and does not become a big business club. To quote from the document on Sustainable Development recently approved at the Goteborg summit, an EU with ‘a positive long term vision of a society that is more prosperous and more just, and which promises a cleaner, safer, healthier environment – a society which delivers a better quality of life for us for our children and our grandchildren’.

Without minimising the importance and dynamic of the market, it is important to ask those who worship the god of ‘competitiveness’ how this deity deals with the losers inevitable in any competition.

The Context

The conjunction of a series of international events has made choices in all these areas inescapable. Indeed so pressing are they, that making no decision, or fudging in best British tradition, will in practice be a 'choice'. Let us merely note some of these crucial events.

President Bush has been elected in the US on a conservative agenda committed to tax cuts favouring the rich, promising to exploit the gas and oil reserves in Alaska, dismissive of the Kyoto agreement and global climate change challenge, deeply sceptical of the UN and other international institutions, committed to 'son of star wars', to reinforcing the dominance of the US military, and to extending the global reach of US business. He also foresees the future of 'social provision' in the hands of the "faith community" and is likely to seek to remove 'social and environmental constraints' on the big business 'constituency' which paid the bill to have him elected.

The UK may well be asked to vote on the Euro membership in the next two to three years. It is virtually impossible to call the outcome of such a referendum despite Tony Blair intimating a stronger commitment during the general election campaign. Indeed, it is not impossible that the results of the vote in England, Scotland and Wales will differ, partly for historic reasons and partly because of the different economic self interests of the three countries.

There is a likelihood that a rift will develop between the US and Europe over issues such as trade globalisation, especially in relation to agriculture and the sustainability of rural communities, and over their responses to the global climate challenge as well as on defence and security policy. The EU itself will have to face the challenge of major structural change or be paralysed as new members enter. The German agenda weighs towards a more democratic, 'regional' Europe in which the powers of individuals states are curbed. This may emerge by the mid decade as a result of the next Inter-Governmental Conference. Alternatively Europe may become a club of a few dominant states, that is to say France, Italy, Germany, and the UK, with a rump of disgruntled smaller states and Regions reluctantly following their dictat. It seems entirely possible that Whitehall and Westminster would prefer the second of these options. Certainly the Mail, Sun and Telegraph will present the options as a choice between 'European federalism' and the continuation of the 'great British State'.

No doubt the threats of global change and major environmental disruption, especially in the poorer 'South', will become an increasing worry while our technical expertise in this digitised world will continue to shrink the globe. Regardless of the current US stance which may have delayed a rational global response by up to a decade, physical reality and commercial pressures will mean that such issues will come increasingly to the fore. Disruption caused by this delay in addressing fundamental issues can only exacerbate international tensions. When, in the not too distant future, we may be preparing to fight off migrants knocking on Europe's frontiers, refugees from the 'water wars', let us remember President Bush, junior!

Attitudes Of The Parties

It is my contention that a substantial majority in Wales favour the social market economic model and that, given a reasonably clear exposition of the background choices, this majority would see the logic of full engagement in Europe and membership of the Euro. It is difficult to argue, given the remarks of Sir Eddie George on exchange rates and the financial and political straight jacket within which the Assembly operates, that we in Wales have much economic or political sovereignty to concede. The majority of Welsh people would probably also agree that, within such a European scenario, that Wales' voice should be heard to ensure that we, in keeping with the other less advantaged Regions, gain the maximum economic and social benefit. In turn this must mean the greater empowerment of the National Assembly. Such a grouping of the electorate would probably also embrace a much broader definition of individual and personal security and acknowledge the necessity of greater equity and environmental responsibility, both within nations and internationally.

At the top of any Welsh agenda must be the creation of better economic opportunities for our many deprived communities and for individuals within them. Some will no doubt argue that the 'trickle-down' of opportunity, according to the US model of 'unrestrained capitalism', would in the end improve the lot of the poorer groups. Unfortunately the experience of the underclasses and the less advantaged areas within the US and our own in the last 25 years, does not support this optimism. Indeed the retiring chairman of the IMF does not support this view – "The widening gaps between rich and poor within nations and the gulf between the most affluent and most impoverished nations, are morally outrageous, economically wasteful and potentially socially explosive. Poverty will undermine the fabric of societies through confrontation, violence and civil disorder". Regrettably on the basis of his replies to the Paxman interview before the election, Blair still embraces the 'ticked down hypothesis'.

A full engagement with an enlarged and more democratic EU, committed to diminishing regional inequalities and to building in the experience of Ireland and other successful Regions, would give our communities a much better chance of success.

If I am correct in surmising that large majority in Wales would respond to the five choices in the ways I am describing, then we reach a major impasse. How can the Welsh electorate express these critical choices? Do the four main political parties in Wales offer the electorate, unambiguously, the five inter-linked responses to these choices that I have outlined? Internal divisions within the four main political parties in Wales could easily mean that, in practice, these choices are not offered. Moreover at the UK level it is not apparent that New Labour and still less the Conservative Party will provide the necessary leadership, nor that the Liberal Democrats will be in a position to exert decisive influence.

Perhaps the greatest challenge in Wales is to the Labour Party. It has enjoyed the dominant support of the Welsh people for generations, unchallenged until the last Assembly election. Although many in the party would agree with much of this analysis, they are divided and weakened by competing agendas and mutual suspicion.

On one hand some traditionalists still view devolution and probably the EU with great suspicion. They are rooted in the centralist traditions of the British Labour movement of the immediate post war years. Their historic 'internationalism' relates more readily to the concerns of minorities outside Wales and often outside Europe. They are often very uncomfortable with their Welshness. Others have joined the Blairite, New Labour, 'middle England' project. This is driven by a desire to increase competitiveness, by a profound suspicion of the public sector but faith in private providers, and by a determination not to be outbid by the Tories on crime, immigration or even tax breaks. Within this circle, regional issues and even the stimulation of the UK's manufacturing base, play badly. As good loyalists, they may accept the fact of devolution, especially in Scotland, but would be worried by any divergent initiatives in Wales, for example the reluctance to adopt the WelshBac. Adherence to the central message of Millbank is essential. On the other hand more progressive, pro-Wales voices exist in the Welsh Labour party that would share many of the priorities I have sought to highlight. In general there is no doubt that, following the general election, Blair's messianic image has dissipated in Labour's heartlands, and not least in the Valleys. However, it remains an open question whether the Welsh Labour is in a position to plough its own furrow or whether its leaders in the National Assembly, as Ron Davies has suggested, lack ambition.

The agenda I have outlined would appear to coincide closely with the stances of both Plaid Cymru and the Welsh Liberal Democrats. However, this simple statement hides some important issues. In the case of Plaid Cymru the fundamental problem revolves around rationalising the relationship between their short-term goals and longer term aspirations. They would certainly embrace a European destiny and a much greater degree of Welsh autonomy as well as the social and environmental priorities outlined in this essay. While the party faithful may find no difficulty in rationalising their short and the long-term agendas, the party may find it very difficult to get a clear message over to a sceptical public often through an antagonistic London-oriented press. They may well also become enmeshed in unproductive arguments about the definition of 'independence' and the meaning of 'Welshness'.

The Liberal Democratic problem is very different. While the party elite would almost certainly agree with much that is proposed here, their vote in rural Wales is closer to a traditional Tory Euro sceptic position and will need a major effort for them to be convinced to the validity of this analysis.

The position of the Welsh Conservative Party is itself interesting. In many countries the right wing party is the most ardent advocate of regional rights and responsibilities. Equally the conservative Christian Democratic tradition in mainland Europe has been central to the European project and been able to integrate a belief in responsible capitalism with social priorities. In sharp contrast, however, the UK Conservative Party is encumbered with imperialist and monetarist traditions, which have virtually nothing to offer Wales. Interestingly in the friction between the party leadership in the Assembly and the comments of their Westminster spokesmen, one can detect the first glimmering of a new conservative vision for Wales.

Given all these circumstances a major and pressing issue is how the disparate elements in the economic and political life of Wales might cohere to the agenda outlined. Could they be fused into a group sufficiently powerful to persuade London

to grant the National Assembly powers equivalent and, further, to accept that Welsh interests within the EU should be properly articulated? In turn this suggests a series of secondary issues surrounding what stances each of the parties might adopt and how the progressive elements within them can find the authority and the mechanisms to co-operate. In this context it should be noted that whatever might occur at Westminster, the electoral system for the National Assembly means that it is highly likely that any party will have an absolute majority after the next election. Is there a prospect that the Welsh Labour party will produce a more decisive leadership? As the second party and the main challenger to Labour, will Plaid present to the Welsh people a coherent and credible programme?

The current extent of devolution, with all its obvious deficiencies, was only won as a result of close co-operation between the leaders of the Labour, Liberal Democratic Parties and Plaid Cymru. The current Operational Review, established under the chairmanship of the Presiding Officer in the National Assembly, may provide a basis for such co-operation. However, its brief is limited to standing orders leaving other more fundamental issues unaddressed. These are being left to an independent Commission being established under the Labour/Liberal Democrat Coalition Partnership early in 2002.

In more general terms, obvious questions remain unanswered, indeed un-debated. What might happen to manufacturing within the Welsh economy if the UK (or England) votes no to Euro? What might happen if Scotland voted in favour of the Euro but England not? Similarly, what might happen in Wales if SNP gains power in Edinburgh in 2003? How does Welsh Labour react to the probability that some day, in the not too distant future unless the cycles of history are abandoned, the Tories are returned to power in London, without a mandate in either Scotland or Wales? It is not apparent that these issues are being adequately debated in Wales or in our media.

There is a strong case for a broadly based movement being established, similar to the Constitutional Convention in Scotland, to press for cross party consensus in Wales. It would seek for all the political parties and individuals to commit themselves to an agenda which would:

- Ensure a powerful Parliament for Wales by the middle part of this decade.
- Full Welsh engagement in the EU and membership of the Euro.
- Powers for Wales to deal directly with the EU on defined issues equivalent to those enjoyed by the German Lander.

This consensus would also include working for more democratic, people-oriented European institutions, for a continuing commitment to regional and rural development, and for social and environmental sustainability as well as economic vitality. The aim should be for the Assembly elected in May 2003 to be unambiguously mandated to bring about these changes.

Wales At The Juncture Of The Global And The Local

Many view the future of Wales, its people and culture, as trivial in the context of the great issues facing our planet. I would argue to the contrary, that what happens to Wales is crucial barometer of our ability to resolve many problems of far reaching, global consequence. Our choices will be indicators of paths along which broader social, economic, environmental and political priorities will evolve. In many ways Wales is a microcosm of the difficulties facing countless small nations, regions and communities around the world. Therefore I would contend that we must not see ourselves as peripheral and insignificant but as crucial players facing a hugely significant set of choices. If we can collectively summon up the will and create the structures to produce a consensus around these choices, we will be making, in partnership with many others, a civilising contribution to European society, and hopefully to that in many other parts of the world.

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